



Working with Contractors

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A DDES Customer Information Bulletin



King County Department of Development and Environmental Services
900 Oakesdale Avenue Southwest Renton, Washington 98055-1219

<http://www.metrokc.gov/ddes/>

Frequently Asked Questions

King County DDES has created customer information bulletins to inform the general public about the effect of codes and regulations on their projects. These bulletins are not intended to be complete statements of all laws and rules and should not be used as substitutes for them. If conflicts and questions arise, current codes and regulations are final authority. Because the codes and regulations may be revised or amended at any time, consult King County staff to be sure you understand all requirements before beginning work. It is the applicant's responsibility to ensure that the project meets all requirements of applicable codes and regulations.

This bulletin contains suggestions intended to help make your remodeling project as safe and economically painless as possible. If you still have questions or concerns after reading the material contained in this bulletin, contact a representative at the Department of Development and Environmental Services (DDES) for assistance (206-296-6600).

Choose your contractor with care, and protect yourself with a carefully worded contract

Because of increasing costs associated with new home construction and the rising price of land, many homeowners are electing to remodel their existing dwellings rather than face the financial investment required for purchasing a new home. Nowhere is the phrase, "let the buyer beware," more important than in construction work known as "the remodel."

Finding the right contractor

Finding the right contractor is critical to the success of your remodeling project and your satisfaction with the work. Following the steps outlined below should help you select the right contractor for your job.

1. Before contacting a contractor about your project, take the time to define all aspects of the project and to list all the things that you want a contractor to do. Be as detailed as possible and include such information as: how large the project is; what materials you prefer, if you have a preference; the time frame in which you want to complete the work; and all other specifications relevant to your remodeling work.
2. Check with any friends who have had comparable work done and contact architects, lending institutions, and your local contractor's associations for the names of contractors they would recommend for your type of project. Contact several of the contractors for whom you receive recommendations, and discuss your project

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with them to make sure they do the type of remodeling work you are seeking (not all contractors do remodeling).

3. Find at least three contractors in whom you are interested, and schedule appointments with them to discuss your plans and get bids. If one of the contractors has ideas or suggestions you want to incorporate into your project, be certain to include these ideas in your requests for bids from the other contractors, as well. If you don't, you will find yourself comparing prices for different work, and you will not be able to make a valid comparison of costs. **It is critical that you make sure all estimates are based on the same specifications and that they are detailed and precise, both in terms of time and costs.** The lowest bid is not always the best choice—some contractors cut corners to hold down their prices.

4. Ask each contractor for the names of recent customers who can verify the quality of their work. **CONTACT ALL REFERENCES.** Ask whether the work was done on time and within the original budget; if it was not, ask why. Ask about the contractor's willingness to return to fix problems after the work was completed and about the condition of the site when the work was finished. In addition, you may contact the Better Business Bureau at 206-431-2222 to ask if any complaints have been recorded for any of the contractors who you anticipate hiring.

5. Verify that the contractors are licensed—ask to see their Washington State Contractor's License. Check the expiration date on the license. This license is proof that the contractor is registered with the Washington State Department of Labor and Industries. If you have any questions about the validity of the contractor's license, call the Washington State Contractor Information Line at 1-800-647-0982. Keep in mind, however, that having a valid license **does not guarantee** the workmanship or trustworthiness of the contractor, or the quality of the contractor's work.

Working with your contractor

After selecting a contractor, you must then develop and negotiate the terms of your contract. This is where your biggest mistakes are likely to be made. **It is worth the investment of your time and money to have your attorney review the contract before you sign it.**

Read all the elements of the contract and associated documents carefully; if possible, **have your attorney review them as well.** **DO NOT** allow any work to begin on your project until the contract is signed and all necessary permits have been obtained.

Be very cautious about accepting a preprinted contract from the contractor. While most contractors are reputable, even the most reputable can have clauses in their contracts that give them too much control over your project, leaving too little control in your hands. **Be wary of a contract with blank spaces; write VOID across any blank spaces, or have your attorney review the contract and make a recommendation regarding how to address blanks.**

Be certain that your contract includes everything you discussed and agreed upon with the contractor. It is a good idea to include the following items in your contract:

- ♦ **Complete job specifications.** These should be detailed and should specify materials to be used, brand names, colors, grades, styles, and model numbers for any appliances or equipment. Make certain that any architectural or engineering drawings are cited in the specifications and that a copy is attached to the contract form.

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Specify any procedures that are to be followed if materials or workmanship prove to be defective. Do not confuse a manufacturer's guarantee with the contractor's guarantee of proper installation.

- ◆ **Scheduled start and completion dates.** Project start and finish dates should be clearly identified in the contract. The contract should allow for any reasonable delays, but should probably also include a "hold-back clause" that allows you to withhold payment to the contractor if the work slows or stops for no legitimate reason.
- ◆ **Modifications.** **DO NOT** agree to pay for any additional work that is not clearly described in the contract. Stipulate in the original contract that if additional work is required an "additional agreement" will be drawn up and signed by both you and the contractor before any of the additional work is done. Modifications that change the approved plans and/or permit conditions may require a "permit revision" or "plan review."
- ◆ **An Additional Agreement.** If additional work does require an "additional agreement," include a clause that credits you with the cost of any unused, returnable materials.
- ◆ **Payment Schedule.** **DO NOT** agree to pay for any work in advance. Your contract should stipulate that payments will be made upon completion of certain phases of the construction, and only after approval of the work.

A hold-back clause indicating final payment 30 days after completion of the work gives you enough leverage to get your contractor to fix anything that may not have been done correctly, or completed to your satisfaction. Such a clause also protects you against unreasonable delays. In addition, **DO NOT** pay the contractor in full until you are completely satisfied with the work, and **DO NOT** pay in cash. Also note that all permits should receive final inspection approval before final payment is made.

- ◆ **Subcontractors.** Include a clause in the contract clearly stating that you hold the contractor responsible for negligence or lack of performance on the part of any subcontractors that work on your project. **DO NOT** sign a work completion certificate without proof that the contractor has paid all subcontractors and material suppliers. Check with your attorney for specific questions on this issue.
- ◆ **Liens against Your Property.** To help protect your property against liens, include a statement in your contract requiring proof of payment and lien release for all materials and labor before you make the last payment to the contractor. You may check with your attorney or call the Washington State Contractor Information Line at 1-800-647-0987 to get more information regarding liens.
- ◆ **Financing.** If the contractor arranges financing for you, the Federal Truth in Lending Law allows at least three business days after you sign the contract during which time you may cancel it without penalty. The finance contract must spell out the interest rate and the cash price, plus the finance charge, along with the amount of each payment.
- ◆ **Permits.** Place a clause in the contract that specifies whether you or the contractor will be responsible for obtaining all required permits and variances. Building permits require review of the plans and specifications, as well as inspections of the work for compliance with appropriate codes. Note that inspections are required at different phases of construction, and final inspection and/or occupancy approval is required once all the work is completed.

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- ◆ **Insurance.** Place a clause in the contract that commits the contractor to having proper insurance in place during construction of your project. You may request a copy of the contractor's insurance to ensure that you are named as coinsured on the policy.
- ◆ **Warranties.** Include a written warranty in the contract. A reputable contractor should have no problem including such a warranty. The warranty should cover defects in workmanship or materials for a specified period of time. Some materials and equipment or appliances carry their own warranties, so make certain you obtain the warranty cards and instructions for use and maintenance.
- ◆ **Cleanup.** Include a provision in the contract that requires the contractor to leave the premises in "broom clean" condition.

Note: After the work is completed, **DO NOT** sign the "Certificate of Completion" until you are satisfied that all the work is complete, that the work was done according to the specifications established in your contract, and that all permits have received final inspection approval.

Additional points to remember

Keep the following points in mind whenever you are working with contractors.

- ◆ Try to develop and maintain a good working relationship with the contractor and crew, but don't interfere with their work or get in the way of the workers.
- ◆ Keep children and pets out of the construction area.
- ◆ Familiarize yourself with as many building terms and techniques as possible so you will be able to follow the progress of the work.
- ◆ Take pictures or videos as the work progresses. These will be valuable in recording the progress of the work and could be useful if problems arise.
- ◆ Watch what is going on during all phases of the work. If you spot something wrong, point it out immediately—don't wait until it is too late to fix it.
- ◆ Make certain that the work area is maintained in a safe condition at all times during construction.

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Other bulletins and telephone numbers that may be helpful

Bulletin 1	Building and Development Permit Telephone Numbers
Bulletin 3	Demolition Permits
Bulletin 4	Damage Repairs
Bulletin 7	Mobile Home Permits
Bulletin 8	Commercial and Multi-family Building Permits
Bulletin 9	Obtaining a Residential Building Permit
Bulletin 12	The Residential Building Permit Process
Bulletin 26	The SEPA Process

206-296-6600	DDES Information
206-431-2222	Better Business Bureau
1-800-647-0982	Washington State Contractor Information Line



King County complies with the Americans with Disabilities Act (ADA). If you require an accommodation to attend a meeting (two weeks notice) or require this information in Braille, audiocassette, or large print, please call 206-296-6693 or TDD 206-296-7217.